

Message Text

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ACTION NEA-10

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AID-05 TRSE-00 OMB-01 ACDA-12 DOE-15 SOE-02 OES-07
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 1090
INFO AMEMBASSY ISLAMABAD
AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY KATHMANDU

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 6281

E.O. 11652: GDS
TAGS: IN, OVIP, (DESAI), PGOV
SUBJECT PRIME MINISTER DESAI'S VIEW OF THE INDIA-U.S. RELATIONSHIP

1. LOOKING AHEAD TO PRIME MINISTER DESAI'S VISIT TO WASHINGTON, THIS REPORT SEEKS TO OFFER A BROAD ASSESSMENT OF HOW HE CURRENTLY VIEWS THE BILATERAL RELATIONSHIP AND WHAT HE MAY EXPECT OF IT. SPECIFIC ISSUEHTF POLICY WILL BE ADDRESSED IN SUBSEQUENT MESSAGES.

2. I BELIEVE THAT DESAI IS PROBABLY REASONABLY SATISFIED WITH THE SUBSTANCE, FORM, AND LEVEL OF THE RELATIONSHIP AT THIS POINT A LITTLE MORE THAN A YEAR AFTER TAKING OFFICE. THE PM HAS GOOD REASON FOR SATISFACTION. THE US HAS RECOGNIZED INDIA'S PREEMINENT POSITION IN SOUTH ASIA, TAKES A LAUDATORY VIEW OF INDIA'S CONSTRUCTIVE APPROACH TO ITS RELATIONS WITH ITS NEIGHBORS, AND WITH THE MINOR EXCEPTION OF SUPPORT FOR PAKISTAN'S NUCLEAR WEAPONS FREE ZONE PROPOSAL, HAS AVOIDED TAKING POSITIONS ON REGIONAL ISSUES WHICH INDIA MIGHT FIND TROUBLING. (IF WE PRESS OUR
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OPPOSITION TO INDIA'S INTEREST IN DPSA'S, IT COULD BECOME A MORE SRIOS IRRITANT. CURRENTLY THE REASONS FOR OUR CONCERN SEEM TO BE UNDERSTOOD, AND HE APPEARS TO ACCEPT THEM AS WELL-MOTIVATED.)

3. PERHAPS EVEN MORE IMPORTANT, WE HAVE SHOWN THE INDIANS THAT WE VALUE THEIR OPINIONS AND ARE PREPARED

TO CONSULT CAREFULLY WITH THEM ON A WIDE RANGE OF POLICIES IN VARIOUS FORUMS. WE HAVE INDICATED THAT WE ARE READY TO ACCEPT A CONTINUING GOOD RELATIONSHIP BETWEEN INDIA AND THE SOVIET UNION AND TO ACKNOWLEDGE THAT THIS RELATIONSHIP WILL NOT BE DETRIMENTAL TO OUR OWN IMPROVING TIES WITH NEW DELHI. WE HAVE HAILED THE RETURN OF DEMOCRACY AND HUMAN RIGHTS TO INDIA, PROCLAIMING IN THE DELHI DECLARATION THAT THIS ESTABLISHES A SPECIAL TIE BETWEEN THE TWO COUNTRIES.

4. WE CONTINUE TO HAVE DIFFERENCES, NOTABLY ON NON-PROLIFERATION POLICY, BUT THESE STEM FROM OUR GLOBAL POLICIES, AND WE HAVE DEMONSTRATED A WILLINGNESS TO TALK THEM OUT EARNESTLY. WE HAVE DROPPED OUR OPPOSITION TO LOANS TO INDIA BY INTERNATIONAL FINANCE INSTITUTIONS AND HAVE STARTED WORKING ON A LIMITED BILATERAL AID PROGRAM, PROBABLY VIEWED BY MORARJI AS BY OTHERS HERE AS MORE A POLITICAL GESTURE THAN AN ESSENTIAL ECONOMIC BENEFIT. THE JOINT SUBCOMMISSIONS HAVE BECOME MORE ACTIVE. ALTHOUGH THE DEFENSE MINISTER MAY COMPLAIN ABOUT DISCRIMINATION AGAINST INDIA IN ARMS SALES, THERE IS NO EVIDENCE THAT DESAI HIMSELF WOULD LIKE TO SEE US BECOME MORE ACTIVE IN PROVIDING WEAPONRY HERE. IN ANY EVENT, HE CAN BE SATISFIED THAT WE ARE DOING VERY LITTLE TO HELP PAKISTAN IN THAT AREA.
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5. THE MANNER OF OUR PRESENCE HERE MUST ALSO BE TO HIS LIKING. WE HAVE BEEN GENERALLY MODEST AND UNOBSTRUSIVE, MAINTAINING, WITH THE EXCEPTION OF THE PRESIDENTIAL VISIT, A LOW PROFILE. WE HAVE NOT TRIED TO TELL THE INDIANS WHAT TO DO. ALTHOUGH WE HAVE TAKEN PAINS TO PROJECT OURSELVES AS NON-PARTISAN, OUR SATISFACTION AT THE RESTORATION OF DEMOCRATIC VALUES BY THE WINNING JANATA MUST NO DOUBT MAKE US SEEM SYMPATHETIC TO THE PRIME MINISTER, PARTICULARLY NOW THAT MRS. GANDHI HAS EMERGED AS THE FOCAL POINT OF OPPOSITION TO THE GOVERNMENT.

6. DOES DESAI REALLY WANT ANYTHING MORE THAN THIS PRESENT STATE OF AFFAIRS? I THINK THAT HE MIGHT PREFER A SOMEWHAT CLOSER RELATIONSHIP PROVIDED THIS CAN BE AFFECTED WITHOUT DOING VIOLENCE TO CERTAIN STRONGLY HELD PRECEPTS. IN HIS RECENT HANDLING OF THE HIMALAYAN CAPER IN THE PARLIAMENT I THINK THAT HE

TOOK SATISFACTION IN EMPHASIZING U.S.-INDIAN GOVERNMENTAL COLLEGIALITY PAST AND PRESENT. THIS NOT ONLY DEFUSED THOSE EAGER TO MAKE THE MOST OF A POTENTIAL EMBARRASSMENT

TO U.S.-INDIAN RELATIONS, BUT PROJECTED IN A TELLING FASHION THE SPIRIT OF MUTUAL COOPERATION AND TRUST THAT HE WANTS TO HAVE CHARACTERIZE THESE RELATIONS. ON OTHER OCCASIONS I HAVE HEARD HIM SAY THAT HE KNOWS THAT THERE ARE THOSE IN THE GOVERNMENT WHO ARE NOT KEEN ON CLOSE RELATIONS BETWEEN INDIA AND THE U.S. BUT THAT HE "KNOWS HOW TO HANDLE THEM". THUS, EXCEPT FOR THE NON-PROLIFERATION ISSUES (TARAPUR SUPPLY AND FULL-SCOPE SAFEGUARDS)--AND EVEN THERE HE SEEMS TO REMAIN PATIENTLY HOPEFUL -- I THINK HE CAN LIVE EASILY WITH THE CURRENT STATE OF OUR RELATIONS, AND I DOUBT THAT HE LOOKS ON THEIR BEING FLESHED OUT THROUGH NEW OR EXPANDED COUNTRY-TO-COUNTRY PROGRAMS AS A MATTER OF URGENCY. IF MOVES ARE TO BE MADE FOR CLOSER TIES OF THAT SORT, HE WILL EXPECT THE PRINCIPAL INITIATIVE

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7. DESAI'S BASIC SATISFACTION WITH THE PRESENT STATE OF OUR RELATIONSHIP RESTS AS WELL ON SEVERAL OTHERS FACTORS:
(1). HE HAS, THROUGHOUT HIS CAREER, BEEN A STAUNCH NATIONALIST. CONSEQUENTLY HE WILL BE HESITANT TO ENTER

INTO A PARTICULAR CLOSE RELATIONSHIP WITH ANY COUNTRY, EVEN IF HE WERE RELATIVELY SATISFIED THAT SUCH A RELATIONSHIP WOULD NOT INHIBIT INDIA'S BASIC INDEPENDENCE OF ACTION. THIS SENTIMENT IS BUTTRESSED BY HIS OFTEN EXPRESSED INTEREST IN ENHANCING INDIAN SELF-RELIANCE AND IN REDUCING ITS DEPENDENCE ON OTHERS, AND BY HIS STRESS ON THE IMPORTANCE OF SELF-RELIANCE AS THE BASIS FOR SELF-RESPECT.

(2). I WOULD ALSO ARGUE THAT MORARJI'S EXPERIENCE WITH THE UPS AND DOWNS IN INDO-US RELATIONS DURING THE TWENTY YEARS HE HAS BEEN IN NEW DELHI PROBABLY PROMPTS HIM TO PREFER THE FRIENDLY, IF LIMITED, RELATIONSHIP WHICH HAS NOW EVOLVED. I DO NOT THINK I AM PUTTING TOO MANY OF OUR OWN IDEAS INTO HIS MIND WHEN I ESTIMATE THAT HE IS WELL AWARE OF THE CHALLENGES WHICH HAVE BEDEVILED INTIMATE INDO-US RELATIONSHIPS IN THE PAST, AND THAT HE

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WILL WANT TO AVOID THESE.

(3) DESAI IS ALSO MOVED BY AN INTEREST IN MAINTAINING SOMETHING OF A BALANCE BETWEEN THE WEST AND THE SOVIET CAMP. FOR HIM "GENUINE NON-ALIGNMENT" IS MORE THAN A BUZZ WORD DENOTING A SHIFT AWAY FROM MOSCOW AND TOWARD WASHINGTON. DESPITE HIS LONGTIME ANTAGNONSIM TOWARD COMMUNISM AND HIS ADMIRATION FOR MANY FEATURES OF AMERICAN LIFE, AND FOR ALL THAT HE AND HIS COLLEAGUES MAY SAY ABOUT A BILATERAL APPROACH TO FOREIGN POLICY, HE DOES NOT WANT TO GO TOO FAR IN THE DIRECTION OF THE US FOR FEAR THAT THIS WOULD HAVE ADVERSE REPERCUSSIONS ON INDIA'S IMPORTANT RELATIONSHIP WITH THE USSR. THESE VIEWS ARE REINFORCED BY HIS KNOWLEDGE OF POLITICAL OPINION IN INDIA, AND HIS AWARENESS THAT TOO CLOSE A RELATIONSHIP WITH THE US WOULD EXPOSE HIM TO CRITICISM FROM BOTH OUTSIDE AND WITHIN JANATA.

8. THERE ARE PROBABLY SOME AREAS, NONETHELESS, IN WHICH DESAI WOULD WELCOME A BROADENING OF OUR RELATIONSHIP. I EXPECT HE WOULD FAVOR GREATER TECHNOLOGICAL TRANSFERS, INCLUDING PRIVATE US INVESTMENT IN TECHNICALLY SOPHISTICATED INDIAN INDUSTRY. I THINK HE WILL WANT THIS EXPANSION VERY MUCH ON INDIAN TERMS, WITH THE STRESS ON COOPERATION AND COLLABORATION AND ON BUILDING INDIAN SELF-RELIANCE.

9. HE HAS MADE CLEAR THAT INDIA WILL NOT ASK FOR US AID BUT ALSO THAT INDIAN NEEDS AND WILL ACCEPT EXTERNAL ASSISTANCE WITH APPRECIATION--IN OUR CASE, AS AN "EXPRESSION OF THE BEST IN THE AMERICAN CHARACTER"--IF WE GO ABOUT AID DELIVERY IN A LOW-KEY MANNER, DO

NOT TRY TO USE IT AS A BARGAINING INSTRUMENT, OR ASK
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FOR PUBLIC ACCLAIM ON ACCOUNT OF IT. THE AMOUNT IS LESS
IMPORTANT THAN THE MANNER, BUT I SUSPECT THAT LIKE MANY
OTHER INDIANS HE REGARDS THE LEVELS WE HAVE BEEN TALKING
ABOUT AS RATHER INSIGNIFICANT, ESPECIALLY COMING FROM
A COUNTRY OF OUR WEALTH AND SIZE.

10. OVERALL HE AIMS TO INFUSE THE BILATERAL RELATIONSHIP
WITH A SPIRIT OF MUTUAL RESPECT AND TRUST AND TO BASE
IT ON THE BROAD COMMON INTERESTS AND SENSE OF SHARED
PRINCIPLE EXPRESSED IN THE DELHI DECLARATION. IF IT IS
GENUINELY OF THAT CHARACTER-- WHICH HE BELIEVES TO BE
ALSO THE PRESIDENT'S DESIRE -- I THINK HE BELIEVES THAT IT
WILL SURVIVE SUCH TRAUMAS AS THE NRC'S NON-COOPERATION
AND EVEN, IF NECESSARY, THE EVENTUAL TERMINATION OF U.S.
SUPPLIES FOR TARAPUR. IN ANY CASE, IT SEEMS VERY CLEAR
TO ME THAT HE IS EAGER NOT TO HAVE THE BROAD RELATIONSHIP
BE SHIPWRECKED ON THOSE ROCKS, AND HE IS BENT ON DOING
ALL THAT HE CAN TO PREVENT IT SHORT OF SEEMING TO PUT
INDIA IN A SUBSERVIENT POSITION AND SURRENDERING ITS
SELF-RESPECT.

11. THE PITFALLS WE SHOULD BE AWARE OF AS WE PROCEED,
ARE LARGELY RELATED TO DESAI'S INDEPENDENCE, HIS PRIDE,
AND HIS MORAL APPROACH TO POLITICS. WE HAVE TO BE
PREPARED TO GIVE HIM THE RESPECT AND CAREFUL ATTENTION
WHICH HE BELIEVES IS HIS DUE. WE MUST DEAL WITH HIM AS
CANDIDLY AS POSSIBLE, KNOWING THE VALUE HE PLACES ON
FRANKNESS OF EXPRESSION FOR ITS OWN SAKE. WE MUST AVOID
ANY HINT OF DISCRIMINATION AGAINST INDIA; HIS STRONG
FEELINGS ON THIS SCORE HAVE ALREADY REINFORCED THE GOI
POSITION ON THE NON-PROLIFERATION ISSUE, FOR EXAMPLE.
JA SHOULD ALSO CONTINUE TO SEEK TO MEET HIS INTEREST IN
DIALOGUE BY A WILLINGNESS ON OUR PART TO TALK THINGS
OUT WITH HIM AND HIS COLLEAGUES. FOR THE NEXT FEW YEARS
THIS MAY BE AS IMPORTANT A STAND IN OUR RELATIONSHIP
AS ANY OF THE "CONCRETE" PROJECTS AND PROPOSALS NOW
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